Two Proposed Exemptions for County Purposes

Exemptions at a glance

	1st Time Homebuyers of New Construction RPTL Sect. 457 4411_	*Home Improvement* RPTL Sect. 421-f 4421_
Applies to:	New construction or reconstruction cost > $3,000. 1 or 2 family dwelling.	Reconstruction cost > $3,000. 1 or 2 family dwelling. House must be at least 5 years old.
Amount of Exemption:	1st year 50% of increase in assessment, reduced by 10% annually.	1st year 100% of increase in assessment reduced by 12.5% annually.
Owner Qualifications:	*1st time homeowner. Income may not exceed income limits of SONYMA low interest mortgage program.	Private individual.
Duration:	5 years	8 years
Limits:	Maximum sale price set by SONYMA.	State sets maximum of $80,000 in increased market value. County can reduce.
Time limit:	Must be purchased by 12/30/2016.	Improvement project must begin after effective date of local law.
Exemption Flexibility:	County may limit term to less than the maximum 5-year term.	County may reduce the % of exemption allowed in each year.
Additional Information:	*May not have owned residence in previous 3 years. May not own vacation home. Expires if property is transferred to non-heir. Owner occupied.	Expires if property is transferred to non-heir.
Special Districts and Special Assessments:	These exemptions do not apply to Special Assessments (water and/or sewer). Does not apply to Special District. (County has none at present)	

Exemption Administration details on following pages.

Town of Schoharie's Local Laws to follow exemption detail pages.

Income Limits: Low Interest Rate, Construction Incentive and Remodel New York Programs - Region VI: Capital

	1 & 2 Person Household*		3+ Person Household*	
County	Non-Target	Target	Non-Target	Target
Albany	$77,000	$92,400	$88,500	$107,800
Montgomery	$70,400	$84,480	$80,960	$98,560
Rensselaer	$77,000	$92,400	$88,500	$107,800
Saratoga	$77,000	$92,400	$88,500	$107,800
Schenectady	$77,000	$92,400	$88,500	$107,800
Schoharie	$77,000	$92,400	$88,500	$107,800

** Household size is determined by the number of persons in the household including children, regardless of age. For example, a married couple with one two-year old child would use the 3+ person household limit.*

Purchase Price Limits: Low Interest Rate, Construction Incentive and Remodel New York Programs for Region VI - Capital

	1 Family New and Existing		2 Family New** and Existing***	
County	Non-Target	Target	Non-Target	Target
Albany	$284,810	$348,100	$364,600	$445,620
Montgomery	$247,030	$301,920	$316,250	$386,530
Rensselaer	$284,810	$348,100	$364,600	$445,620
Saratoga	$284,810	$348,100	$364,600	$445,620
Schenectady	$284,810	$348,100	$364,600	$445,620
Schoharie	$284,810	$348,100	$364,600	$445,620

** These limits also apply to the Remodel New York and Construction Incentive Programs for the property types allowed under those programs.*

*** For target areas only. New Two Families are not permitted in non-target areas.*

**** 2, 3, and 4 Family Existing homes must be at least 5 years old as of the loan application date.*

Section 4.01 - RPTL Section 457,
First-time Homebuyers of Newly Constructed Homes
Exemption Code(s): 4411_ Year Originally Enacted: 2001
Related Statutes: None

SUMMARY: To the degree allowed by local option, owner-occupied, primary residential property that is newly constructed or reconstructed under certain other conditions (see below) is exempt from taxation and special ad valorem levies to the extent of an annually declining percentage for at least some portion of the assessed value of the property. No exemption is allowed for special assessments.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by a private individual or individuals who: (1) have not owned property which served as their primary residence during the three-year period prior to their applying for this exemption, (2) is not married to a person who owned residential property during the three-year period prior to their applying for this exemption, and (3) do not own a vacation or investment home. Furthermore, if title to the property is transferred to someone other than the heirs or distributees of the owner(s) during the term of the exemption, the exemption will be discontinued.

   The combined income of all the owners, and of any owners' spouses residing on the property, for the income tax year immediately preceding the date of application for exemption may not exceed the income limits defined by the State of New York Mortgage Agency (SONYMA) Low Interest Rate mortgage program for the non-target, one- and two-person household category in the county where the property is located and in effect on the contract date for the purchase and sale of the property. The applicable SONYMA limits are available on that agency's Internet website www.nyhomes.org/. SONYMA may also be contacted at 641 Lexington Avenue, New York, New York 10022 or by telephone (toll free) at 1-800-382-4663.

   For the purpose of this exemption, income means the "adjusted gross income" for federal income tax purposes as reported on the applicant's latest available federal or state income tax return, subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account or an individual retirement annuity; provided that if no such return was filed within the one year period preceding taxable status date, income means the adjusted gross income that would have been so reported if such a return had been filed. The "latest available return" means the federal or state income tax return for the tax year immediately preceding the date of making application, provided however, that if the tax return for such year has not been filed, then the income tax return for the tax year two years preceding the date of making application will be considered the latest available.

2. **Property Location Requirements:** None.

3. **Property Use Requirements:** Property must be a newly constructed or reconstructed one- or two-family house, townhouse or condominium that is owner occupied. Additionally, other than for reconstruction projects, the home must never have been occupied previously. No portion of an otherwise eligible single-family home may be leased or used primarily for non-residential purposes while the exemption is being granted. In either case, the exemption will be discontinued.

   Unless a taxing jurisdiction adopts a local law or resolution raising the maximum sales price of an eligible newly constructed residence (see B. Local Option), that sales price must not exceed 115 percent of the maximum eligible sales price established by the State of New York Mortgage Agency (SONYMA) Low Interest Rate Mortgage program in the non-target, one-family new category for the county where the property is located and in effect on the contract date for the purchase and sale of the property. However, the maximum exemption amount would be limited to 100 percent of those SONYMA-established sales prices.

   The exemption for reconstructed, altered or improved residential property is limited solely to the increase in assessed value attributable to such reconstruction, alteration or improvement, provided that the total assessed value of the property after the project completion does not exceed 115 percent of the purchase price limits set by SONYMA (see above). To be eligible for this exemption on existing homes, the first-time homebuyer must have provided for such reconstruction, alteration or improvement as part of the sale contract of the home or entered into a written contract within 90 days of the sale of the property. Lastly, the value of such reconstruction, alteration or improvement must be greater than $3,000 and cannot include the value of ordinary maintenance and repairs.

4. **Certification by State or Local Government:** None required.

5. **Required Construction Start Date or Other Time Requirement:** Property must be purchased by a first-time homebuyer: (1) on or before December 30, 2016, unless such purchase is made pursuant to a binding written contract entered into on or before such date and (2) after November 28, 2001. First-time homebuyers who first received this exemption prior to December 31, 2016 will continue to receive the exemption according to the established schedule (see E. Calculation of Exemption). First -time homebuyers of existing homes seeking the exemption on the basis of reconstruction, alteration or improvement of the property must enter into a written contract within 90 days after the sale of the home.

B. **LOCAL OPTION:** Yes. local taxing jurisdictions are allowed certain choices:

1. **Exemption** - To allow the exemption, a county, city, town or village, through its governing board, must enact a local law. A school district, other than one subject to Article 52 of the Education Law, is authorized to allow the exemption, through adoption of a local resolution by its governing board. In all cases, the taxing jurisdiction must hold a public hearing before acting to allow the exemption.

2. **Duration of Exemption** - Any taxing jurisdiction allowing the exemption may limit the term of the exemption to less than the maximum term allowed (5 years).

3. **Maximum Value of Purchase** - Any taxing jurisdiction allowing the exemption may raise the exemption limit on eligible homes to an amount up to 125 percent of the purchase price limits set by the SONYMA Low Interest Rate Mortgage program in the non-target, one-family new category for the county where the property is located and in effect on the contract date for the purchase and sale of the property. While the maximum exempt amount allowed would be up to 125 percent of these limits, the maximum sales price of an eligible newly constructed residence could be 15 percent greater than the locally adopted exemption limit.

C. **LIMITATION ON EXEMPTION:**

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	Yes*	Yes*	No exemption allowed
2. Duration	Up to 5 years	Up to 5 years	Up to 5 years	No exemption allowed
3. Taxing Jurisdiction a. County or County Special Districts	Ex**	NA	Ex**	Tax
b. City	Ex**	NA	NA	Tax
c. Town or Town Special District	Ex**	NA	Ex**	Tax
d. Village	Ex**	NA	NA	Tax
e. School District	NA	Ex**	NA	NA

Ex - Exempt   Tax - Taxable   NA - Not Applicable

*See Calculation of Exemption below.
**If allowed by local option.

D. PAYMENTS IN LIEU OF TAXES: None required.

E. CALCULATION OF EXEMPTION:

1. **General Municipal and School District Taxes:** Although the maximum sales price of an eligible newly constructed residence may be as much as 115 percent of the purchase price limit set by SONYMA, the exemption amount is limited to the actual purchase price limit set by SONYMA (see above, Table 1. SONYMA Income and Purchase Price Limits). Likewise, if the taxing jurisdiction adopts the local option allowing an exemption limit of up to 125 percent of the SONYMA-established limits, the maximum sales price of an eligible newly constructed residence could be as high as 15 percent more than this locally adopted purchase price limit, however the exemption amount would be limited up to 125 percent of the SONYMA limit. For reconstructed, altered or improved residential property the exemption is the limited to the increase in assessed value attributable to such reconstruction, alteration or improvement, so long as the resultant total assessed value of the property does not exceed 115 percent of the purchase price limit set by SONYMA. In both instances, unless the term of exemption is reduced by local law or resolution, the exemption schedule is as follows:

Years of Exemption	Percentage of Exemption
1	50
2	40
3	30
4	20
5	10
6 or more	0

2. A taxing unit may reduce the term of the exemption by local law or resolution.
3. **Special Ad Valorem Levies and Special Assessments:**
   Special Ad Valorem Levies: See General Municipal School District Taxes above.
   Special Assessments: No exemption allowed.

F. **CODING OF EXEMPTION ON ASSESSMENT ROLL:**

Code	Description of Alternative Codes Possible
4411_	

G. **Assessment Roll Section(s):** Taxable (RPS Section 1).

H. **NOTE:** This code should not be used to identify property that is exempt under any of the statutes listed under similar exemptions below. For coding of such property, see the Exemption Profile for the statute that applies.

I. **FILING REQUIREMENTS (Owner or Occupant of Property):**

Form RP-457 -- Application for Real Property Tax Exemption for First-time Homebuyers of Newly Constructed Homes.

J. **REPORTING REQUIREMENTS (Assessor):**

If the assessor determines that this exemption should be discontinued, he or she must mail a notice so stating to the owner or owners of the property, in accordance with the provisions for notifying owners of increased assessments under RPTL 510. The owner or owners may seek administrative and judicial review of such an assessment increase; however, the burden of proof is on the owner or owners to establish eligibility for this exemption.

K. SIMILAR EXEMPTIONS:

Subject	Statute
Home improvements	RPTL 421-f
Multiple dwellings converted to owner-occupied residences in certain cities	RPTL 421-h, 421-i, 421-j, 421-k
Private one- and two-family dwellings and certain multiple dwellings in New York City	RPTL 421-b
Residential investment in certain municipalities	RPTL 485-h, 485-i, 485-j, 485-k, 485-l, 485-m

Section 4.01 - RPTL Section 421-f
Home Improvements
Exemption Code(s): 4421_ **Year Originally Enacted:** 1993
Related Statutes: None

SUMMARY: Outside New York City, to the degree allowed by local option, one- and two-family residential buildings that are reconstructed, altered, or improved under certain conditions (see below) are exempt from taxation and special ad valorem levies to the extent of an annually declining percentage of at least some of the increase in the property's assessed value attributable to the reconstruction, alteration, or improvement. No exemption is allowed for special assessments. Local taxing jurisdictions may limit the types of construction projects eligible for exemption and the percentages of exemption.

A. ELIGIBILITY REQUIREMENTS

1. **Ownership Requirements:** Property must be owned by a private individual or individuals. If title to the property is transferred to someone other than the heirs or distributees of the owner, the exemption must cease.

2. **Property Location Requirements:** Property must be located outside New York City.

3. **Property Use Requirements:** Property must be used as a residential building for not more than two families. The value of the construction project must exceed $3,000 and must be of the type allowed exemption by the taxing jurisdiction (see Local Option below); the project may not be one of ordinary maintenance or repairs. The greater portion of the building, as so measured by the square footage, of the building reconstructed, altered or improved, must be at least five years old.

4. **Certification by State or Local Government:** None required.

5. **Required Construction Start Date or Other Time Requirement:** Reconstruction, alteration, or improvement of the building must commence after the effective date of the local law or resolution allowing the exemption.

B. **LOCAL OPTION:** Yes, local taxing jurisdictions are allowed several choices:

1. Exemption -- To allow the exemption, a county, city, town, or village, through its governing board, must enact a local law. A school district, other than one subject to Article 52 of the Education Law, is authorized to allow the exemption, through adoption of a resolution by its governing board. In all cases, the taxing jurisdiction must hold a public hearing before acting to allow the exemption.

2. Percentage of Exemption -- Any taxing jurisdiction allowing the exemption may reduce the percentage of exemption allowed in each year by state law (see Calculation of Exemption below).

3. Maximum Value of Improvement -- State law limits the exemption to a maximum of $80,000 in increased market value. Local taxing jurisdictions may reduce this maximum to any amount less than $80,000, but not less than $5,000.

4. Type of Improvement -- In its local law or resolution allowing the home improvement exemption, a taxing jurisdiction may limit the forms of reconstruction, alteration, or improvement eligible. It may further limit exemption to improvements that would otherwise result in an increase in the assessed value of the property but that consist of addition to or remodeling or modernization of an existing residence to prevent physical deterioration or to comply with applicable building, sanitary, health, or fire codes.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	Yes*	Yes*	No exemption allowed
2. Duration	8 years*	8 years*	8 years*	No exemption allowed
3. Taxing Jurisdiction a. County or County Special Districts	Ex**	NA	Ex**	Tax
b. City	Ex**	NA	NA	Tax
c. Town or Town Special District	Ex**	NA	Ex**	Tax
d. Village	Ex**	NA	NA	Tax
e. School District	NA	Ex**	NA	NA

Ex - Exempt **Tax - Taxable** **NA - Not Applicable**

D. * See Calculation of Exemption below.
** If allowed by local option.

E. **PAYMENTS IN LIEU OF TAXES:** None required.

F. **CALCULATION OF EXEMPTION:**

1. **General Municipal and School District Taxes:** The extent of the exemption is determined by the "exemption base" and the percentage of that base allowed as exempt each year. The exemption base is defined as the increase in assessed value as determined in the initial year of the term of exemption, except as follows.

   In any year in which a change in level of assessment of 15% or more is certified for a final assessment roll pursuant to the rules of the State Office of Real Property Tax Services, the exemption base must be multiplied by the following fraction:

   $$\frac{\text{Total assessed value of parcel on final assessment roll*}}{\text{Total assessed value of parcel on immediately preceding final assessment roll}}$$

   * After accounting for physical or quantity changes to parcel since immediately preceding assessment roll.

   Unless limited by local law, the exemption equals the base exemption, or the base exemption adjusted as described above, multiplied by one of the following percentages:

Year of Exemption	Percentage of Exemption Base
1	100
2	87.5
3	75
4	62.5
5	50
6	37.5
7	25
8	12.5

Local taxing jurisdictions may reduce the percentage of exemption for any year.

The maximum exemption allowed by state law is $80,000 in increased market value due to the improvement. The market value of the new construction is calculated by dividing the increase in assessed value attributable to the construction by the latest state equalization rate or special equalization rate, unless such rate is 95% or more, in which case the increased assessed value is to be considered equal to the market value. In Nassau County, the Class 1 ratio is to be used to determine the market value of the improvement. Local taxing jurisdictions may reduce the maximum exemption allowed to any amount less than $80,000, but that amount may not be less than $5,000.

2. **Special Ad Valorem Levies:** See General Municipal and School District Taxes above.

3. **Special Assessments:** No exemption allowed.

G. **CODING OF EXEMPTION ON ASSESSMENT ROLL:**

Code	Description of Alternative Codes Possible
4421_	

H. **Assessment Roll Section(s):** Taxable (RPS Section 1).

I. **NOTE:** This code should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below. For coding of such property, see the Exemption Profile for the statute that applies.

J. **FILING REQUIREMENTS (Owner or Occupant of Property):**

Form RP-421-f -- Application for Real Property Tax Exemption for Capital Improvements to Residential Property

See sample form and instructions following Exemption Profile.

K. **REPORTING REQUIREMENTS (Assessor):** None.

L. **SIMILAR EXEMPTIONS:**

Subject	**Statute**
Certain living quarters constructed to be occupied by a senior citizen or disabled individual	RPTL §467-d
First-time homebuyers of newly constructed homes	RPTL §457
New residential property in certain cities	RPTL §485-m

Private one- and two-family dwellings and certain multiple dwellings in New York City	RPTL §421-b
Residential improvements in Cities with population of less than 200,000 and more than 150,000	L.1986, Ch. 889
Residential investment in certain municipalities	RPTL §§485-h, 485-i, 485-j, 485-k, 485-l, 485-m
Residential property improvements in certain cities	RPTL §485-j
Residential property improvements in certain towns	RPTL §485-l

TOWN OF SCHOHARIE

LOCAL LAW NO. ____ 2013

A local Law Enacting a First Time Homebuyer

Town Property Tax Exemption

Be it hereby enacted by the Town Board of the Town of Schoharie, Schoharie County, New York, as follows:

SECTION I: TITLE

This local law may be cited as the "Town of Schoharie First Time Homebuyer Town Property Tax Exemption."

SECTION II: LEGISLATIVE INTENT AND PURPOSE

The Schoharie Town Board finds and determines that home ownership within the Town by persons of moderate income is essential in order to create a positive climate for economic growth and to attract future homeowners.

The Town Board further finds that the New York Legislature has enacted New York Real Property Tax Law section 457 to allow local municipalities the option to offer a partial Town property tax exemption for certain first time homebuyers of newly constructed homes.

Therefore, the purpose of this Local Law is to enact a local first time homebuyer partial Town property tax exemption pursuant to New York Real Property Tax Law section 457.

SECTION III: AUTHORITY

The Town Board of the Town of Schoharie elects to grant the tax exemption authorized under section 457 of the New York Real Property Tax Law.

SECTION IV: DEFINITIONS

As used in this article, the following terms shall have the meanings indicated:

First Time Homebuyer: A person who has not owned a primary residential property and is not married to a person who has owned a residential property during the three-year period prior to his or her purchase of the primary residential property and who does not own a vacation or investment home.

Household Income: The total combined income of all the owners, and of any owners' spouses residing on the premises, for the income tax year preceding the date of making application for the exemption.

Income: The adjusted gross income for federal income tax purposes as reported on the applicant's latest available federal or state income tax return subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account, and an individual retirement annuity, provided that if no such return was filed within the one-year period preceding taxable status date, "income" shall mean the adjusted gross income that would have been so reported if such a return had been filed. For purposes of this definition, "latest available return" shall mean the federal or state income tax return for the year immediately preceding the date of making application; provided, however, that if the tax return for such tax year has not been filed, then the income tax return for the tax year two years preceding the date of making application shall be considered the latest available.

Newly Constructed: An improvement to real property which was constructed as a primary residential property, and which has never been occupied and was constructed after the effective date of this article. "Newly constructed" shall also mean that portion of a primary residential property that is altered, improved, or reconstructed.

Primary Residential Property: Any one - or two - family house, townhouse, or condominium located in this state which is owner-occupied by such homebuyer.

SECTION V. REAL PROPERTY EXEMPTION FOR FIRST TIME HOMEBUYERS OF NEWLY CONSTRUCTED HOMES GRANTED.

1. Newly constructed primary residential property located within the Town of Schoharie and purchased by one or more persons, each of whom is a first-time homebuyer and has not been married to a homeowner in the three years prior to applying for this first-time homeowners exemption, shall be exempt from taxation levied by or on behalf of the Town of Schoharie, for a period of five years in accordance with the following table:

   1. Fifty percent (50%) exemption for the first year after applying for the exemption.
   2. Forty percent (40%) exemption for the second year after applying for the exemption.

3. Thirty percent (30%) exemption for the third year after applying for the exemption.
4. Twenty percent (20%) exemption for the fourth year after applying for the exemption.
5. Ten percent (10%) exemption for the fifth year after applying for the exemption.
6. Zero percent (0%) exemption for the sixth or more years after applying for the exemption.

SECTION VI. ELIGIBILITY FOR EXEMPTION

There are three elements which must be met to be eligible for this exemption: 1) qualifying as a first-time homebuyer; 2) having a qualifying property; and 3) meeting the income and purchase price criteria of SONYMA.

Qualifying As A First-Time Homebuyer. The definition of a first-time homebuyer is any person and his/her spouse who: a) have not owned a primary residential property during the previous three years; and b) do not own a vacation or investment home regardless of location inside or outside of the United States of America.

Having a Qualifying Property. A qualifying property in the recorded names(s) of the property owner(s) must: a) be a "newly constructed home" that is a one- or two – family residence, townhouse or condominium, which was constructed after November 28, 2001, is to be owner-occupied, and was not previously occupied to which the entirety of its purchase price shall be eligible for exemption up to the limits provided by this law' or b) be a $3000 or greater cost renovation or remodeling of an existing home for which a building permit was issued within 90 days of the recorded purchase date of property by property owner(s) and a certificate of occupancy was subsequently issued to which the eligible exemption shall be determined and applied in accordance with the provisions of Real Property Tax Law Section 457.

Meeting The Income and Purchase Price Criteria Of SONYMA. Wherein "income" shall be defined as the "adjusted gross income of the most recent Federal income tax return(s) provided to the assessor" of the property owner(s) and their resident spouse, the total combined income of all owners and their resident spouses, of the property to which this exemption shall apply shall not exceed the "State of New York Mortgage Agency (SONYMA) Low Interest Rate Mortgage Program nontarget, one and two person household category for Schoharie County." The purchase price of the property including any renovation or remodeling costs, of the property to which this exemption shall apply, shall not exceed by more than 25% of the limit set by the "State of New York Mortgage Agency (SONYMA) Low Interest Rate Mortgage Program one family, new, non-target, or one family, existing, non-target for Schoharie County.

SECTION VII. APPLICATION FOR EXEMPTION.

In order to apply for this exemption, an application for exemption (RP 457) must be filed with the Town Assessor.

SECTION VIII. TIME OF FILING APPLICATION.
The application for exemption (RP-457) must be filed in the assessor's office on or before March First. Once the exemption has been granted, it is not necessary to reapply for the exemption after the initial year in order for the exemption to continue. There is no need to reapply in subsequent years, but, if the property ceases to be used primarily for residential purposes, or if the property is a single-family residence and any portion is leased, or if title to the property is transferred to persons other than the heirs or distributes of the owner, the exemption is terminated.

SECTION IX. EFFECTIVE DATE.
This Local Law shall take effect immediately upon this filing thereof in the Office of the Secretary of State of the State of New York.

TOWN OF SCHOHARIE

LOCAL LAW NO. ____ 2013

A Local Law Enacting a Property Tax Exemption For Certain Alterations, or Improvements to Real Property.

Be it hereby enacted by the Town Board of the Town of Schoharie, Schoharie County, New York, as follows:

SECTION I: TITLE

This Local Law, which is a verbatim adoption of New York State Real Property Tax Law Section 421-f, may be cited as the "The Home Improvement Exemption Law."

SECTION II: PURPOSE AND INTENT

This Local Law, using Section 421-f of the Real Property Tax Law, authorizes a partial exemption from real property taxation of the increase in assessed value attributable to reconstruction, alterations or improvements made to residential property, and shall apply to taxes and special ad valorem levies, but shall not apply to special assessments.

SECTION III: EXEMPTION CRITERIA

As explained in New York State Real Property Tax Law Section 421-f, the following criteria must be met to be eligible for the exemption:

1. The property for which the exemption is sought must be a one or two family residence;
2. The greater portion of the residence (as measured in square footage) after capital improvement must be at least five years old;
3. The capital improvement must be commenced after the date this Local Law is enacted;
4. The exemption applies to reconstruction, alterations or improvements;
5. The exemption does not apply to ordinary maintenance or repairs; and

6. The value of such reconstruction, alteration or improvement must exceed the sum of three thousand (3,000) dollars.

SECTION IV: APPLICATION AND DOCUMENTATION

The property owner interested in receiving said exemption must:

1. Properly complete and file the "Application for Real Property Tax Exemption for Capital Improvements to Residential Property (RP-421-f)" in the Town of Schoharie Assessor's office on or before the taxable status date of March first; and

2. Provide sufficient documentation to the Assessor's office in the form of construction contract, building permit, and receipted bills to support the cost of capital improvement.

SECTION V: EXEMPTION LIMIT

The exemption shall be limited to Eighty Thousand (80,000) dollars in increased market value with any additional value attributable to the new construction not being eligible for the exemption.

SECTION VI: DETERMINATION OF MARKET VALUE.

The market value of the new construction shall be calculated by dividing the increase in assessed value attributable to the new construction by the latest State equalization rate or special equalization rate, unless such rate is 95 percent or more, in which case the increased assessed value shall be deemed to equal the market value.

SECTION VII: ANNUAL QUALIFYING EXEMPTION PERCENTAGE.

If the above criteria are met, the value of an improvement qualifying for an exemption shall receive the following exemption percentages:

1. 100% in the first year after the exemption is granted;
2. 87.5% in the second year after the exemption is granted;
3. 75% in the third year after the exemption is granted;
4. 62.5% in the fourth year after the exemption is granted;
5. 50% in the fifth year after the exemption is granted;
6. 37.5% in the sixth year after the exemption is granted;
7. 25% in the seventh year after the exemption is granted;
8. 12.5% in the eight year after the exemption is granted;
9. 0% for every year thereafter.

SECTION VIII. EXEMPTION RETENTION CONDITIONS.

Once the exemption has been granted, it shall not be necessary to reapply for the exemption after the initial year in order for the exemption to continue. There is no need to reapply in subsequent years, but if the property ceases to be used primarily for residential purposes, or if title to the property is transferred to persons other than the heirs or distributees of the owner, the exemption is terminated. The exemption will automatically be recalculated in any year in which there is a change in level of assessment for the final assessment roll of 15 percent or more. No local law or resolution may repeal or reduce an exemption granted pursuant to Section 421-f until expiration of the period of that exemption.

SECTION IX. EFFECTIVE DATE.

This Local Law shall take effect immediately upon this filing thereof in the Office of the Secretary of State of the State of New York.